



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

P.O. Box 712

Trenton, NJ 08625-0712

Telephone 1-800-356-1561

RICHARD J. CODEY
Acting Governor

JAMES M. DAVY
Commissioner

ANN CLEMENCY KOHLER
Director

MEDICAID COMMUNICATION NO. 05-01

DATE: January 6, 2005

TO: County Welfare Agency Directors
Institutional Services Section Area Supervisors

SUBJECT: Social Security Benefit Cost of Living Adjustment (COLA) for 2005

As you already may be aware, the Social Security benefit cost-of-living adjustment (COLA) for 2005 is 2.7 percent and the new monthly premium for Medicare Part B (SMI) coverage is \$78.20. This COLA increase and the Medicare premium deduction, where appropriate, will be reflected in the January 2005 checks.

In completing a Form PR-1 with a January 2005 effective date, it is important to use the COLA increase to calculate the new Social Security benefit, and for those individuals who are responsible for the Medicare premiums on and after January 1, 2005, to use the new premium amount.

This information is vital for the accuracy of the 2005 COLA update process, which automatically adjusts PR-1 Social Security income in the long-term care billing system. The Department of Health and Senior Services will return those PR-1 forms, with an effective date of 2005, which do not reflect the 2005 estimated COLA or the new Medicare premium amount.

Questions concerning this communication should be referred to the field service staff assigned to your county.

Sincerely,

/S/

Ann Clemency Kohler
Director

ACK:Gg

c: Fred M. Jacobs, M.D.,J.D., Acting Commissioner
Susan Reinhard, Deputy Commissioner
Department of Health and Senior Services

Jeanette Page-Hawkins, Acting Director
Division of Family Development

Edward E. Cotton, Director
Division of Youth and Family Services

Carol Grant, Acting Director
Division of Developmental Disabilities